

Revision: HCFA-AT-80-38 (BPP)
May 22, 1980

State MINNESOTA

SECTION 6 FINANCIAL ADMINISTRATION

Citation

42 CFR 433.32
AT-79-29

6.1 Fiscal Policies and Accountability

The Medicaid agency and, where applicable, local agencies administering the plan, maintains an accounting system and supporting fiscal records adequate to assure that claims for Federal funds are in accord with applicable Federal requirements. The requirements of 42 CFR 433.32 are met.

Federal Matching of Y2K-Related State Projected Payments to Medicaid and State Children's Health Insurance Program (SCHIP) Providers

Given the uniqueness of the Y2K problem and the desire to avoid disruptions of services to beneficiaries, while also ensuring the ongoing fiscal integrity of the Medicaid and SCHIP programs, HCFA will provide FFP in States' payments based on projected provider claims made in accordance with all of the following terms and conditions during the period January 1, 2000 through March 31, 2000 that are a direct result of State Y2K claims processing problems.

1. FFP is available for payments made to Medicaid and SCHIP providers based on projected provider claims during the period January 1, 2000 through March 31, 2000 that are the direct result of State Y2K claims processing problems. If at any time before March 31, 2000 the State's claims processing system becomes Y2K compliant, FFP will no longer be available for any projected payments made after the date the State's claims processing systems becomes Y2K compliant.
2. The project provider claims for which FFP will be available will be computed by the State as the average of the last 12 months of payments to each provider, or of the period specified in the State's Y2K Contingency Plan. For Managed Care Organizations (MCOs) the State may use the previous month's payment (i.e. December 1999).
3. Once the State determines the average monthly payment to the provider, HCFA will allow the State to claim FFP for their projected payments up to 70 percent of the average monthly payment for institutional providers and capitated MCOs, and up to 50 percent of the average monthly payment for non-institutional providers.

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4. The State must establish an accounts receivable for all payments made and for which FFP was claimed based on projected provider claims.
5. When the period for which FFP is available for payments based on projected provider claims ends, the State must incorporate into its claims processing system an edit check designed to preclude duplicate payments to providers where payments based on projected provider claims were made and have not yet been fully reconciled.
6. By no later than April 1, 2000, for each provider, the State must begin reconciling payment made based on projected provider claims accounts receivable balances for the January 1 - March 31, 2000 period against 100 percent of each provider's adjudicated claim amounts for that same period, and begin recouping any excessive payments that were made to a provider based on projected provider claims amounts. All overpayments that were made based on projected provider claims must be either recovered or returned as overpayments by September 30, 2000. No FFP will be available for extended repayment schedules for providers.
7. Before implementing this projected provider claims payment process, the State must purge its files of all excluded providers to preclude any payments to excluded providers.
8. Once the State has completed the final reconciliation of all accounts receivable balances, and it has been reviewed by the RO, the State must report the Federal share of any outstanding State overpayments to HCFA on the next Form HCFA-64. Any outstanding overpayments that have not been reported on the Form HCFA-64 for the quarter ended September 20, 2000 will be disallowed.

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9. The State agrees that this policy applies only to payments based on projected provider claims made because **State** Y2K claims processing problems preclude the State from processing and paying provider claims in accordance with normal program claiming requirements. It does **not** apply to payments made because of Y2K problems which preclude providers from billing the State, or because of problems not related to State Y2K claims processing problems. State payments based on projected provider claims that are not in accordance with all of the terms and conditions of this State plan amendment will be disallowed.
10. Before implementation, the State must submit to the Regional Office for approval, along with this state plan amendment, the State's plan for specifically implementing the terms and conditions of this State plan amendment.

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